

RESOLUTION OF THE
BUDGET AND FINANCE COMMITTEE
OF THE NAVAJO NATION COUNCIL

23RD NAVAJO NATION COUNCIL - First Year, 2015

AN ACTION
RELATING TO BUDGET AND FINANCE COMMITTEE; APPROVING THE TERMINATION
OF SERVICES BY RAINIER INVESTMENT MANAGEMENT AND RETAINING JENNISON
ASSOCIATES

Section One. Findings

- A. Pursuant to 2 N.N.C. § 300(C) the Budget and Finance Committee of the Navajo Nation Council shall exercise oversight authority, including but not limited to, budget, finance, investment, bonds, contracting, insurance, audits, accounting, taxes, loans, Chapter budget and finance for the following purposes: 1) To coordinate, oversee, regulate the fiscal, financial, investment, contracting and audit policies of the Navajo Nation.
- B. Pursuant to Budget and Finance Committee Resolution, BFJA-01-08 (amending BFJY-144-03), the Navajo Nation Investment Committee is delegated with the authority for adoption of and modification to the investment policies and sub-policies for all Navajo Nation financial resources.
- C. The Office of the Controller has coordinated with the Navajo Nation's designated investment consultant, RVK, Inc., in recommending to the Navajo Nation Investment Committee the termination of services by Rainer Investment Management, a Large Cap Growth Equity Investment Manager.

- D. The Navajo Nation Investment Committee, in coordination with RVK, Inc., interviewed three (3) alternatives to Rainer Investment Management and recommended the transition of all current assets held with Rainer Investment Management to Jennison Associates.
- E. The Navajo Nation Investment Committee by Resolution NNICS-01-14 recommends to the Budget and Finance Committee the termination of services by Rainer Investment Management and to transition all current assets held by Rainer Investment Management to Jennison Associates. See NNICS-01-14 attached as Exhibit A.

Section Two. Approval and Directive

- A. The Budget and Finance Committee hereby approves the recommendation of the Navajo Nation Investment Committee to terminate the services of Rainer Investment Management.
- B. The Budget and Finance Committee hereby approves the recommendation of the Navajo Nation Investment Committee for the Office of the Controller to transition all current assets held by Rainer Investment Management to Jennison Associates.
- C. The Budget and Finance Committee hereby directs the Office of the Controller and the Navajo Nation President to carry out all necessary duties to effectuate the Investment Management Agreement and the Addendum to the Investment Management Agreement.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Budget and Finance Committee of the Navajo Nation Council at a duly called meeting held at Window Rock, Navajo Nation (Arizona), at which a quorum was present and that the same was passed by a vote of 4 in favor, 0 opposed, this 3rd day of March, 2015.


Jonathan Nez, Chairperson
Budget and Finance Committee

Motion: Lee Jack, Sr.

Second: Dwight Witherspoon



**RESOLUTION OF
THE NAVAJO NATION INVESTMENT COMMITTEE**

Approving and Recommending to the Budget and Finance Committee Approval to terminate Large Cap Growth Equity Investment Manager, Rainier Investment Management (Rainier), Held in the Retirement Plan Portfolio and retaining Jennison as the replacement manager.

WHEREAS:

1. Pursuant to Budget and Finance Committee Resolution BFJY-114-03 as amended by Budget and Finance Committee Resolution No. BFJA-01-08, adopted on January 24, 2008 (the "Resolution No. BFJA-01-08"), which involved adopting investment policies and sub-policies for all Navajo Nation financial resources, the Navajo Nation Investment Committee was continued with delegated authority for adoption of and modification to the policy requires recommendation to the Budget and Finance Committee; and

2. Pursuant to the delegated authority, the Office of the Controller has coordinated with the Navajo Nation's designated investment consultant, RVK, Inc. a recommendation to terminate the Large Cap Growth Equity Investment Manager, Rainier, and interview three (3) alternatives hereto attached as Exhibit A; and

3. The Office of the Controller in coordination with RVK, Inc. has interviewed three (3) alternatives to Rainier and recommends transitioning all current assets held with Rainer to Jennison's Mutual Fund vehicle option as soon as possible; and

4. The Navajo Nation Investment Committee has reviewed the recommendation attached hereto as Exhibit A and recommends the same for approval by the Budget and Finance Committee of the Navajo Nation Council with the understanding the Office of the Controller will delegate future efforts to eventually transition into a Separately Managed Account with Jennison.

NOW THEREFORE BE IT RESOLVED THAT:

The Navajo Nation Investment Committee hereby approves and recommends to the Budget and Finance Committee of the Navajo Nation Council approval of the recommendation to terminate the Large Cap Growth Equity Investment Manager, Rainer, and transitioning all current assets held with Rainer to Jennison's Mutual Fund vehicle option with the understanding the Office of the Controller will delegate future efforts to eventually transition into a Separately Managed Account with Jennison.

CERTIFICATION

I hereby certify that the foregoing resolution was duly considered by the Navajo Nation Investment Committee, at a duly called meeting in Window Rock, Arizona, at which a quorum was present and that same was passed by a vote of 3 in favor and 2 opposed, this 25th day of September, 2014.

Mark Grant
Presiding Chairman
Navajo Nation Investment Committee

Motion: Lorenzo Bates
Second: Harrison Tsosie
Vote: 3-2

Exhibit A



Memorandum

To The Navajo Nation Investment Committee
From RVK, Inc. ("RVK")
Subject Large Cap Growth Manager Recommendation - Rainier
Date July 30, 2014

Summary

In November 2013, RVK provided a memorandum regarding concerns with Rainier Investment Management ("Rainier") and recommended reviewing alternative managers for The Navajo Nation Retirement Plan's ("the Plan") current investment mandate with Rainier. As a follow-up to that memorandum and subsequent discussions surrounding the Plan's investment with Rainier, RVK has prepared a competitive large cap growth manager search (included in the appendix) which includes RVK's high conviction managers, and provides details for each manager's historical return, risk, and characteristics.

PORTLAND OFFICE
1211 SW 5th Avenue
Suite 900
Portland, Oregon 97204
MAIN 503.221.4200

Upon an initial review of the manager search, RVK, in consultation with its Investment Manager Research Department, has identified the below managers as well-suited candidates for the mandate:

- Jennison
- Morgan Stanley
- T. Rowe Price

Background

As of June 30, 2014, Rainier currently manages a domestic large cap growth portfolio for the Plan valued at \$48.3 million, representing 7.4% of the Plan's total assets. The recommendation to review Rainier versus other large cap growth managers in the context of a competitive manager search is due to risks RVK considers significant to Rainier from an organizational, competitive, and performance perspective, and are summarized below.

Strategy Changes

In response to significant underperformance in 2008 and 2009, Rainier began initiating a number of small changes in their strategy, team alignment, and investment process, including the use of strategy leads on each of Rainier's equity strategies, the ability to base portfolio positioning on macroeconomic themes, and an increase in portfolio concentration through the implementation of higher conviction portfolio positions.



Organizational and Team Changes

Over the last two years, Rainier has experienced several personnel changes and organizational changes. In March 2013, Portfolio Manager Daniel Brewer left the firm, and his responsibilities were assumed by other team members. In May 2013, Sam Console joined Rainier from UBS, and was added to the large cap team. In June 2013, Portfolio Manager Mark Dawson assumed the role of CIO from PM James Margard, who was a founding member of the firm. Mr. Margard relinquished his CIO duties, but remains on the investment team. Additionally, Portfolio Manager Peter Musser and President Kurt Polk left the firm at the end of 2013. Steve Jue was hired subsequent to Peter Musser's departure and is responsible for covering the technology sector but does not have portfolio management responsibilities. Lastly, Greg Graziano departed the firm mid-year 2014 to pursue other opportunities.

Continued Underperformance

Rainier has struggled versus its primary benchmark in recent years. Rainier utilizes a Growth-at-a-Reasonable Price ("GARP") investment style that will tend to lag in strong up markets. However, Rainier's relative performance has struggled in both up and down markets, significantly underperforming its benchmark in 2008, 2009, and 2011, while underperforming less significantly in 2012 and 2013, and year-to-date in 2014.

Reduced Assets under Management ("AUM")

In response to Rainier's organizational changes and underperformance, the firm's AUM has continued to decline in recent years, as investors have either reduced their investment allocations, or terminated their investments with Rainier entirely. Continued reductions in AUM put increased pressure on revenue, which can negatively impact resources, staffing, bonuses, and ultimately employee morale.

Collectively, these issues create significant concerns surrounding Rainier's ability to remain competitive in the institutional market place. Taking all items into consideration, RVK believes that there are better investment options available within the large cap growth space.

Individual Manager Comparison

Below is a performance comparison of Rainier and the three recommended managers versus the benchmark. Additional details can be found in the attached manager search.

	3 Years		5 Years		7 Years		10 Years	
	Return	Standard Deviation	Return	Standard Deviation	Return	Standard Deviation	Return	Standard Deviation
Jennison	16.3	14.9	19.1	15.3	9.3	17.3	9.4	15.6
Morgan Stanley	16.8	16.8	23.4	16.9	10.9	21.7	N/A	N/A
T. Rowe Price	18.8	16.1	21.2	16.7	9.7	19.8	9.9	17.4
Rainier	13.6	14.0	16.8	14.8	4.8	17.7	7.7	15.9
<i>Russell 1000 Growth Index</i>	16.3	12.6	19.2	13.8	8.0	17.1	8.2	15.1

Trailing performance shown as of June 30, 2014.



	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Jennison	38.2	16.8	1.1	12.5	42.7	-36.7	12.6	3.0	14.8	10.1
Russell 1000 Growth Index	33.5	15.3	2.6	16.7	37.2	-38.4	11.8	9.1	5.3	6.3
Difference	4.7	1.5	-1.5	-4.2	5.5	1.7	0.8	-6.1	9.5	3.8
Morgan Stanley	49.8	16.2	-2.7	24.5	67.1	-49.2	23.0	4.7	16.6	N/A
Russell 1000 Growth Index	33.5	15.3	2.6	16.7	37.2	-38.4	11.8	9.1	5.3	6.3
Difference	16.3	0.9	-5.3	7.8	29.9	-10.8	11.2	-4.4	11.3	N/A
T. Rowe Price	45.3	18.5	-1.2	16.8	54.3	-40.4	9.4	6.9	8.4	11.3
Russell 1000 Growth Index	33.5	15.3	2.6	16.7	37.2	-38.4	11.8	9.1	5.3	6.3
Difference	11.8	3.2	-3.8	0.1	17.1	-2.0	-2.4	-2.2	3.1	5.0
Rainier	32.8	14.5	-3.2	17.0	24.9	-41.3	17.5	13.4	10.2	13.2
Russell 1000 Growth Index	33.5	15.3	2.6	16.7	37.2	-38.4	11.8	9.1	5.3	6.3
Difference	-0.7	-0.8	-5.8	0.3	-12.3	-2.9	5.7	4.3	4.9	6.9

Returns shown for Rainier are specific to The Navajo Nation Retirement Plan.

The three recommended managers are benchmark-aware, diversified portfolios with a pure growth investment style. All three managers are high-quality options and interact favorably with the Plan's large cap value manager, Dodge & Cox. Below is a brief summary of each manager's strategy and investment process.

Jennison

Jennison uses a bottom-up stock selection strategy driven by fundamental research to identify companies with above-average growth in units, revenues, earnings, and cash flow, which creates a strong element of quality within the portfolio. Jennison seeks to capture the inflection point in a company's growth rate that is not yet fully reflected in the stock price. Stock selection is driven by interaction between Analysts and Portfolio Managers, with Portfolio Managers having final responsibility for buy and sell decisions.

Strategy Inception – 1969

Percent Employee Owned – 0%

Lowest Cost Vehicle – Separate Account

Expense Ratio – 49 bps

Morgan Stanley

Morgan Stanley focuses on making long-term investments using bottom-up analysis to identify companies that offer sustainable competitive advantages and the ability to effectively redeploy capital at high rates of return. The strategy seeks to add value by identifying market inefficiencies by focusing on areas with a relative lack of coverage, biases held regarding companies' earnings and valuations, and long-term value creation.

Strategy Inception – 2004

Percent Employee Owned – 0%

Lowest Cost Vehicle – Mutual Fund

Expense Ratio – 67 bps



T. Rowe Price

T. Rowe Price utilizes fundamental research and an active, bottom-up stock selection process to identify aggressive companies early in their growth cycle, as well as cyclical and emerging companies. The strategy will hold companies for long periods of time to capture their full appreciation. T. Rowe Price seeks to identify superior growth companies by focusing on long-term earnings growth potential, strong corporate management, and by capitalizing on the differences between cyclical and secular growth.

Strategy Inception – 2001

Percent Employee Owned – 16%

Lowest Cost Vehicle – Mutual Fund

Expense Ratio – 56 bps

Recommendation

RVK recommends the Investment Committee interview the three abovementioned large cap growth managers, to identify the best candidate for the mandate and terminate Rainier from the Retirement Plan based on concerns cited in this memo and previous discussions. Each of the recommended managers fit well with the Plan's existing large cap equity managers, offer organizational stability, and have exhibited strong strategy performance characteristics over time.

INVESTMENT MANAGEMENT AGREEMENT

1. Appointment of Investment Manager. This Agreement dated as of _____ is to confirm the basis upon which Navajo Nation (the "Client") wishes to employ Jennison Associates LLC (the "Investment Manager") as its investment advisor with respect to retirement assets of the Client consisting of all securities and cash from time to time held for the Client's account, entitled The Navajo Nation Retirement Plan (the "Portfolio"), in the custody of Northern Trust (the "Custodian").

2. Investment Discretion; Proxy Voting; Custody. The Investment Manager believes it important that it be given full discretion in the management of the Portfolio to ensure timely and prudent investment of the Portfolio. Consequently, the Investment Manager has requested, and the Client hereby grants to Investment Manager, complete authority to make such changes in the Portfolio as the Investment Manager in its full discretion may deem advisable, including (without limitation) the investment in securities of any cash, the sale or exchange of any securities, now or hereafter held in the Portfolio, and the exercise of any right, including the right to vote incident to any securities or any property held in the Portfolio, and to issue instructions to the Custodian for such purposes. Notwithstanding the foregoing, the Investment Manager shall not be obligated to take any action or render advice involving legal action on Client's behalf with respect to assets in the Portfolio that become subject to any legal notices or proceedings, including securities class actions and bankruptcies. Client retains the right to proceed directly as a security holder against the issuer of any security in the Portfolio. The Investment Manager will also not be authorized to take custody or possession of any of the Client's cash or securities in the Portfolio.

3. Brokerage Practices. The Investment Manager shall have the full power and authority to issue orders for or make purchases or sales of securities for the Portfolio directly to or with a broker, dealer or other person as the Investment Manager selects in its own discretion. The Investment Manager shall instruct all brokers or dealers transacting orders on behalf of the Client to forward promptly to the Custodian confirmation of all brokerage transactions. When selecting a broker for transaction execution, the Investment Manager may consider, amongst other items, the receipt of services that affect securities transactions and incidental functions, such as clearance and settlement functions, and advice as to the value of securities, the advisability of investing in securities, the availability of securities or purchasers or sellers of securities, and analyses and reports concerning issues, industries, securities, economic factors, trends, portfolio strategy, and the performance of accounts. The Client understands commissions charged by brokers who provide these services to the Investment Manager may be somewhat higher than the commissions charged by brokers who do not provide these services. With respect to the Portfolio, the Investment Manager may cause securities transactions to be executed concurrently with authorizations to purchase or sell the same securities for other accounts managed by the Investment Manager. The executions (of purchases or sales) shall be allocated equitably among the various accounts that the Investment Manager manages (including the Portfolio). Notwithstanding the foregoing provisions of this paragraph, the Investment Manager shall arrange for the execution of securities transactions for the Portfolio through those brokers or dealers that, in the Investment Manager's reasonable judgment, are capable of providing best execution. Pursuant to the rules promulgated under Section 326 of the USA PATRIOT ACT, broker-dealers are required to obtain, verify and record information that identifies each person who opens an account with them. In accordance therewith, Client acknowledges that broker-dealers whom the Investment Manager selects to execute transactions in the Portfolio's account on the Client's behalf may seek identifying information about the Client and/or the Portfolio and the Client will provide such information to such broker-dealers, if requested.

4. Investment Guidelines. The Investment Manager will undertake to manage the Portfolio in a professional and responsible manner and in accordance with the objectives as stated in the "Investment

Objectives and Guidelines,” which is attached hereto as Exhibit A. The Investment Manager shall not be responsible for complying with any policy directives or other “Master Investment Policies” unless such directives or policies have been presented to the Investment Manager, in writing, and incorporated in the “Investment Objectives and Guidelines.” For the avoidance of doubt, if there are any conflicting, inconsistent or additional provisions in any investment policy directives or the Client’s “Master Investment Policies,” now or in the future, that are not reflected in the “Investment Objectives and Guidelines,” the “Investment Objectives and Guidelines” shall control.

5. Representations of Investment Manager. In accepting this Agreement the Investment Manager represents and confirms that it is registered as an investment adviser under the Investment Advisers Act of 1940, as amended (the “Advisers Act”).

6. Representations of Client. Client represents and warrants that this Agreement constitutes a valid and binding obligation of Client and the terms of this Agreement do not violate any obligations by which Client or the Portfolio are bound, whether arising by contract, operation of law or otherwise. Client further represents and warrants that the person executing this Agreement below on behalf of the Client is duly authorized to do so.

7. Liability; Duty of Care. Except as otherwise provided by law, the Investment Manager shall not be liable to the Client for any loss that the Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by the Investment Manager with that degree of care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a fiduciary capacity would use in the conduct of an enterprise of a like character and with like aims. In any event, neither the Investment Manager nor its affiliates shall be liable for any loss or damage arising or resulting from the acts or omissions of the Custodian, any broker, financial institution or any other third party with or through whom the Investment Manager arranges or enters into a transaction in respect of the Portfolio as long as the Investment Manager has not breached its duties under applicable law and this Agreement. Notwithstanding the foregoing, the Investment Manager shall use its reasonable best efforts to facilitate the resolution of claims (for which the Investment Manager is not liable to the Client under the terms of this Agreement) on behalf of the Client against the Custodian, broker, financial institution or any other third party with or through whom the Investment Manager arranges or enters into a transaction in respect of the Portfolio.

8. Compensation. For its services hereunder, the Investment Manager will charge a fee as set forth in the fee schedule, attached hereto as Exhibit B.

9. Confidentiality. Each party shall use its best efforts to treat all information and advice furnished by the other party to it pursuant to this Agreement as confidential and to avoid disclosing same to third parties; provided, however, the Investment Manager may disclose information (i) to affiliates of the Investment Manager; (ii) to the Custodian with respect to the Portfolio; (iii) to brokers and dealers that are counterparties for trades for the Portfolio; (iv) to third party service providers subject to confidentiality agreements; (v) as required by law, court order or other regulating authority; (vi) as requested by regulatory or governmental authorities or auditors; and (vii) as otherwise agreed to in writing by the Client. Information that (a) was or becomes generally available to the public, other than as a result of disclosure by the other party; (b) was or becomes available to the other party on a non-confidential basis from a source other than the party, which source is not known to be bound by any obligations of confidentiality; or (c) is independently developed by the other party without reference to or reliance on information or advice furnished pursuant to this Agreement, will not be considered confidential for purposes of this paragraph. Notwithstanding the foregoing, reports regarding the Portfolio, its performance and the Investment Manager’s management of the Portfolio may be provided to those

charged with overseeing the Client's investments (e.g., Board, investment staff, investment consultants and auditors) or to those as required by law.

10. Form ADV Part 2. The Client acknowledges that the Investment Manager has provided it with a copy of the Investment Manager's most recent Form ADV Parts 2A and 2B, in accordance with Rule 204-3 under the Advisers Act. The Client consents to the annual delivery of the Investment Manager's Form ADV Part 2A and any disclosure documents or notices required by law by electronic means in accordance with applicable laws and regulations. The Form ADV Part 2A, required disclosure document or notice will be delivered as a PDF file unless the Investment Manager's electronic communication contains instructions on how to access such documents. Such documents shall be delivered to the Client at: Mark Grant, mgrant@NNOOC.org.

This consent will remain effective until it is revoked by the Client in writing. Notwithstanding this consent, the Investment Manager will provide a paper copy of the Form ADV Part 2A, disclosure document or notice at no cost upon the Client's request.

11. Investment Manager's Other Accounts. This Agreement in no way restricts the Investment Manager's right to perform investment management or other services for any person or entity, and the performance of such services for others shall not be deemed to violate or give rise to any duty or obligation to the Portfolio or to the Client.

The Client understands that the Investment Manager shall not have any obligation to purchase or sell any security for the Portfolio which it (as investment manager for other clients, or as principal) or its affiliates or employees may purchase or sell for its or their own account or for the account of any other client, if it is the Investment Manager's opinion that such transaction or investment appears unsuitable or undesirable for the Portfolio.

12. Client Lists. The Client authorizes the Investment Manager to list the Client's name on its client lists.

13. Nonassignability; Amendments. Both parties agree that no assignment (within the meaning of the Advisers Act) of this Agreement or any part hereof shall be made without the Client's written consent. This Agreement may be amended only by means of a written document signed by a duly authorized representative of each party.

14. Termination. It is agreed that either the Investment Manager or the Client may, by 30 days' prior written notice to the other, or such shorter notice as to which the parties shall agree, terminate this Agreement.

15. Effectiveness. This Agreement shall become effective on the date on which the Investment Manager commences providing services under this Agreement.

16. Notices. Any notice or report to be given pursuant to the Agreement shall be deemed to have been duly given or made (a) as of the date delivered, and shall be effective upon receipt, if delivered personally, mailed by registered or certified mail (postage prepaid, return receipt requested) or overnight delivery or (b) as of the date sent if provided by facsimile transmission confirmed afterwards as soon as reasonably possible by telephone call, first class mail, or by any method specified in (a) above, to the following addresses specified below:

To the Investment Manager at:

Jennison Associates LLC
466 Lexington Avenue
New York, New York 10017
Attention: Kenneth Moore, Executive Vice President and
Chief Operating Officer
Facsimile: 646.863.9376

With a copy to (at the address set forth above):

Attention: Legal Department
Facsimile: 212.682.9831
E-mail: legaldepartment@jennison.com

To the Client at:

Navajo Nation
PO Box 3150; Window Rock, AZ 86515
Attention: Mark Grant
Facsimile: N/A
E-mail: mgrant@NNOOC.org

17. Governing Law; No Waiver. This Agreement shall be construed and the rights and obligations of the parties under the Agreement enforced in accordance with the laws of the State of New York, without regard to conflict of laws principles. Nothing in this Agreement shall constitute a waiver or limitation of any rights that the Client may have under the Advisers Act or otherwise.

18. Headings and Captions. Headings and captions in this Agreement are for reference and convenience only and do not constitute a part of this Agreement and shall not be applied to the construction of this Agreement.

19. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be an original, but all the counterparts shall together constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties below have executed this Agreement.

JENNISON ASSOCIATES LLC

NAVAJO NATION

By: _____
Name: Kenneth Moore
Title: Executive Vice President and
Chief Operating Officer

By: _____
Name:
Title:

EXHIBIT A

to
Investment Management Agreement
between
Jennison Associates LLC (the "Investment Manager")
and
Navajo Nation (the "Client")

INVESTMENT OBJECTIVES AND GUIDELINES

INVESTMENT OBJECTIVES:

- 1.1 Strategy – The Portfolio will be managed according to the Investment Manager's Large Capitalization Growth Equity Strategy.
- 1.2 Benchmark – Russell 1000 Growth Index ("Benchmark").
- 1.3 Portfolio Objective – The Investment Manager shall seek to outperform the Benchmark.
- 1.4 For avoidance of doubt, there can be no assurance that the Investment Objectives will be achieved.

GUIDELINES:

2. ELIGIBLE INSTRUMENTS

- 2.1 All securities included in the Benchmark are eligible for investment in the Portfolio,
- 2.2 Equity and equity-related securities of U.S. and non-U.S. issuers including but not limited to: Common Stocks (including those of companies that elect to be taxed as limited partnerships), Preferred Stocks, Convertible Securities, Warrants, Rights, non-U.S. dollar denominated securities of non-U.S. issuers ("Foreign Ordinaries"), Real Estate Investment Trusts ("REITs"), Exchange Traded Funds ("ETFs"), Registered Investment Companies ("RICs"), securities issued pursuant to rule 144A as defined by the Securities Act of 1933 ("144As"), American Depositary Receipts ("ADRs") and other Depositary Receipts or Shares in both listed and unlisted form.
- 2.3 Cash and cash equivalents such as the custodian Short Term Investment Fund ("STIF") and securities issued by the U.S. government and its agencies.

3. PROHIBITED INSTRUMENTS

Investments in the following securities are prohibited:

- 3.1 Fixed income securities, with the exception of Convertible Securities,
- 3.2 Securities of private companies acquired through privately negotiated transactions ("Private Equity") and Private Placements, with the exception 144As,
- 3.3 Direct real estate investments, with the exception of REITs,
- 3.4 Direct investments in Natural resource properties such as oil, gas or timber
- 3.5 Commodities,

3.6 Derivatives,

3.7 Securities issued by the Client or the Client's affiliates as detailed in a list provided by the Client.

4. INVESTMENT RESTRICTIONS

The Investment Manager shall not;

4.1 Sell securities short,

4.2 Buy securities on margin,

4.3 Enter into securities lending agreements or participate in securities lending except as directed by the Client.

5. INVESTMENT PARAMETERS

5.1 Typically no more than 5% of the market value of the Portfolio may be invested in cash and cash equivalents under normal market conditions.

5.2 A maximum of 5% of the market value of the Portfolio, at the time of purchase and a maximum of 7% of the market value of the Portfolio may be invested in a single issuer.

5.3 A maximum of 15% of the market value of the Portfolio, at the time of purchase, may be invested in Foreign Ordinaries.

5.4 A maximum of 5% of the market value of the Portfolio may be invested in an issuer's outstanding shares.

5.5 A maximum of 25% of the market value of the Portfolio, at the time of purchase, may be may be invested in a single industry.

5.6 A maximum of 40% of the market value of the Portfolio, at the time of purchase may be invested in a single sector.

5.7 Deviations to the Investment Guidelines caused by market movements, corporate actions or other passive events outside the Investment Manager's control shall not be deemed a violation. The Investment Manager will have 10 business days to remedy any deviations to the Guidelines for the events listed above. If the Investment Manager believes that it is not in the client's best interest to correct the violation within 10 business days, the Investment Manager should obtain from the client a written agreement to correct the passive violation in an alternative manner as suggested by the Investment Manager.

EXHIBIT B

to
Investment Management Agreement
between
Jennison Associates LLC (the "Investment Manager")
and
Navajo Nation (the "Client")

FEES

For the services rendered by the Investment Manager under this Agreement, the Investment Manager shall be paid in accordance with the following schedule:

- 0.75 % per annum on the first \$10 million of the market value of the Portfolio;
- 0.50 % on the next \$30 million;
- 0.35 % on the next \$25 million;
- 0.25 % on the next \$335 million; and
- 0.22 % on the balance.

Minimum Account Size: \$50,000,000

Such fee shall be paid quarterly in arrears (using the quarterly equivalent of such annual fee rate), net 30 days following receipt of each quarterly invoice. Fees are billed at the end of each calendar quarter, based on the average of the month end market values for the preceding quarter of the Portfolio as calculated by the Custodian. The Investment Manager shall prorate contributions and withdrawals in calculating the advisory fee for the period. Withdrawals for advisory and other miscellaneous fees, such as custodial fees, and dividends or interest activity will not be prorated. If the Investment Manager commences rendering services other than at the beginning of a calendar quarter, the first quarterly fee shall be prorated for the portion of such calendar quarter during which this Agreement was in force. If the Investment Manager terminates rendering services other than at the end of a quarter, the Investment Manager's fee for such quarter shall be prorated based on the portion of the quarter in which the Investment Manager rendered services.

**ADDENDUM TO
INVESTMENT MANAGEMENT AGREEMENT**

THIS ADDENDUM TO INVESTMENT MANAGEMENT AGREEMENT (this "*Addendum*"), dated as of _____, 2015, is by and between The Navajo Nation, a sovereign federally recognized Indian tribe (the "*Nation*") and Jennison Associates LLC (the "Investment Manager"), and supplements the terms of the Investment Management Agreement dated as of the date hereof (the "*Investment Management Agreement*"), by and between the Nation and the Investment Manager. The Nation and the Investment Manager are sometimes referred to herein collectively as the "Parties" or individually as a "Party."

RECITALS

A. The Nation is a federally recognized Indian tribe, with sovereign immunity from unconsented suit.

B. The Nation and the Investment Manager entered into the Investment Management Agreement whereby the Nation appointed the Investment Manager as an investment manager with respect to the assets described therein and the Investment Manager accepted such appointment as investment manager in accordance with the terms of the Investment Management Agreement.

C. The Parties are entering into this Addendum to supplement the terms and conditions of the Investment Management Agreement.

AGREEMENT

In consideration of the premises and the covenants contained in the Investment Management Agreement and herein, the Parties do hereby covenant and agree as follows:

SECTION 1. *Conflicting Terms.* The provisions of this Addendum shall supersede any contrary or inconsistent provisions of the Investment Management Agreement.

SECTION 2. *Appropriation of Funds.* Pursuant to 2 N.N.C. § 223 (A) all payments under the Investment Management Agreement are contingent on appropriation of funds. The Nation confirms that funds have been appropriated to allow all payments under the Investment Management Agreement for the period from the date hereof through _____, 201____. In the event funds are not appropriated for any subsequent fiscal year (October 1-September 30), the Nation shall, not less than 30 days prior to the beginning of such fiscal year, so inform the Investment Manager, of the non-appropriation of funds and its decision to terminate the Investment Management Agreement, at which time the Investment Management Agreement shall be terminated in accordance with Section 12 thereof.

SECTION 3. *Activities Within the Boundaries of Navajo Nation.* To the extent that the Investment Manager physically performs any activities within the external boundaries of the Nation, the Investment Manager agrees to comply with the Navajo Preference in Employment Act, 15 N.N.C. § 601 et seq. and the Navajo Business Opportunity Act, 5 N.N.C. § 201 et seq. for these activities so physically performed within the external boundaries of the Nation. The

Nation acknowledges and agrees that the provision of services as described and contemplated by the Investment Management Agreement do not constitute services performed within the external boundaries of the Nation and would therefore not be subject to the provisions of the Navajo Preference in Employment Act or the Navajo Business Opportunity Act.

SECTION 4. *Dispute Resolution.*

(a) Negotiation. The Nation and the Manager agree that the parties shall use their best efforts to negotiate a just and equitable resolution and settlement of any dispute, claim or disagreement related to this Agreement or the breach thereof (collectively, "Claims").

(b) Mediation. If the parties cannot reach a negotiated settlement within a period of sixty (60) days, then, upon written notice by any party to the others, the parties agree to settle the dispute by mediation before a mediator to be agreed upon by the parties. The mediation shall take place in Window Rock, Arizona (unless the parties agree otherwise), within a reasonable period of time, but not to exceed thirty (30) days following the notice.

(c) Arbitration. If the Parties do not resolve their Claims by mediation, the sole dispute mechanism to resolve any Claim is by arbitration as contemplated by the Navajo Nation Sovereign Immunity Act, 1 N.N.C. § 554(J) and (K), and the Navajo Nation Arbitration Act, 7 N.N.C. § 1101 et seq. The arbitration shall be conducted in accordance with the American Arbitration Association Commercial Arbitration Rules except to the extent that such rules are modified by the following:

1. Unless otherwise agreed, the arbitration shall be held in Window Rock, Arizona;
2. The arbitration panel shall consist of a single arbitrator unless one of the parties' claims exceeds \$1,000,000.00, exclusive of interest, costs and fees, then the arbitration panel shall consist of three (3) arbitrators;
3. No person shall be eligible to serve as an arbitrator if the person is related to, affiliated with or has represented in a legal capacity any Party. The arbitrators shall be attorneys at law admitted to practice and in good standing before the highest court of a state or a member of the Navajo Nation Bar Association, who have a minimum of five years of professional experience within the securities industry.
4. Notice of intent to invoke arbitration against the Nation shall be filed in compliance with the notice requirements of the Navajo Nation Sovereign Immunity Act, 1 N.N.C. § 555;
5. An award against the Nation shall be in conformance with the provisions of 1 N.N.C. § 554(K);
6. An arbitration award shall not be subject to review or modification, or vacated, by a court for any reason other than in the circumstances described in the Navajo Nation Arbitration Act. The judgment confirming an award shall have the same force and effect in all respects as, and be subject to all the provisions of law relating to, a

judgment in a civil action, and it may be enforced as if it has been rendered in a civil action in a court of competent jurisdiction. When the award requires the performance of any other act than the payment of money, the court shall direct the enforcement thereof in the manner provided by law; and

7. The Navajo Nation courts shall have exclusive jurisdiction to compel arbitration and to enforce, modify and vacate an arbitration award.

SECTION 5. *No Waiver of Sovereign Immunity.* Nothing herein or in the Investment Management Agreement shall be considered as a waiver, express or implied, of the sovereign immunity of the Nation except to the extent provided for in the Navajo Nation Sovereign Immunity Act, 1 N.N.C. § 551 et seq.

SECTION 6. *Governing Law; Venue; Jurisdiction.*

(a) The Investment Management Agreement shall be governed by, and construed in accordance with, the written laws of the Nation, and where no written laws of the Nation exist, Navajo custom, the law of the State of New York or applicable federal law, without giving effect to conflicts of laws provisions. The Nation represents and warrants that there is no written law of the Nation and no Navajo custom that is inconsistent with the fulfillment of the Nation of its obligations under this contract and hereby covenants not to assert the existence of inconsistent Navajo written law or custom in connection with any litigation or arbitration that may arise under this contract.

(b) The Nation and the Investment Manager consent to and agree to the initiation of any proceeding relating to this contract in the District Court of the Nation located in Window Rock, Arizona, which shall have exclusive jurisdiction.

SECTION 7. *Severability.* If any provision or application of this Addendum is held unlawful or unenforceable in any respect, such illegality or unenforceability shall not affect other provisions or applications which can be given effect and this Addendum shall be construed as if the unlawful or unenforceable provision or application had never been contained herein or prescribed hereby.

SECTION 8. *Counterparts.* This Addendum may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

NAVAJO NATION (listed in the *Federal Register* as Navajo Nation, Arizona, New Mexico & Utah)

By: _____
 <Name>, President

Jennison Associates LLC

By: _____
Name: _____
Title: _____

EXECUTIVE OFFICIAL REVIEW

Title of Document: NNICS-01-14 Contact Name: CURLEY, JUSTIN E

Program/Division: OFFICE OF THE CONTROLLER

Email: jucurley@nnooc.org Phone Number: x6023

Business Site Lease Sufficient Insufficient

- | | | | |
|--|-------------|--------------------------|--------------------------|
| 1. Division: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Office of the Controller: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| <small>(only if Procurement Clearance is not issued within 30 days of the initiation of the E.O. review)</small> | | | |
| 3. Office of the Attorney General: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

Business and Industrial Development Financing, Veteran Loans, (i.e. Loan, Loan Guarantee and Investment) or Delegation of Approving and/or Management Authority of Leasing transactions

- | | | | |
|--|-------------|--------------------------|--------------------------|
| 1. Division: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Office of the Attorney General: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

Fund Management Plan, Expenditure Plans, Carry Over Requests, Budget Modifications

- | | | | |
|---|-------------|--------------------------|--------------------------|
| 1. Office of Management and Budget: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Office of the Controller: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Office of the Attorney General: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

Navajo Housing Authority Request for Release of Funds

- | | | | |
|--|-------------|--------------------------|--------------------------|
| 1. NNEPA: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Office of the Attorney General: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

Lease Purchase Agreements

- | | | | |
|--|-------------|--------------------------|--------------------------|
| 1. Office of the Controller: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| <small>(recommendation only)</small> | | | |
| 2. Office of the Attorney General: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

Grant Applications

- | | | | |
|---|-------------|--------------------------|--------------------------|
| 1. Office of Management and Budget: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Office of the Controller: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Office of the Attorney General: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

Five Management Plan of the Local Governance Act, Delegation of an Approving Authority from a Standing Committee, Local Ordinances (Local Government Units), or Plans of Operation/Division Policies Requiring Committee Approval

- | | | | |
|--|-------------|--------------------------|--------------------------|
| 1. Division: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Office of the Attorney General: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

Relinquishment of Navajo Membership

- | | | | |
|--|-------------|--------------------------|--------------------------|
| 1. Land Department: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Elections: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Office of the Attorney General: _____ | Date: _____ | <input type="checkbox"/> | <input type="checkbox"/> |

		Sufficient	Insufficient
<input type="checkbox"/>	Land Withdrawal or Relinquishment for Commercial Purposes		
1. Division:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. Office of the Attorney General:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Land Withdrawals for Non-Commercial Purposes, General Land Leases and Resource Leases		
1. NLD	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. F&W	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. HPD	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Minerals	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. NNEPA	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
6. DNR	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
7. DOJ	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Rights of Way		
1. NLD	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. F&W	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. HPD	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Minerals	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. NNEPA	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
6. Office of the Attorney General:	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
7. OPVP	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Oil and Gas Prospecting Permits, Drilling and Exploration Permits, Mining Permit, Mining Lease		
1. Minerals	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. OPVP	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. NLD	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Assignment of Mineral Lease		
1. Minerals	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. DNR	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. DOJ	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	ROW (where there has been no delegation of authority to the Navajo Land Department to grant the Nation's consent to a ROW)		
1. NLD	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
2. F&W	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
3. HPD	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
4. Minerals	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
5. NNEPA	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
6. DNR	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
7. DOJ	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
8. OPVP	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	OTHER: NNICS-01-14		
1. Sponsor	<u>Mark Hart</u> Date: <u>9-26-14</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
2. OOC	<u>Mark Hart</u> Date: <u>9-26-2014</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
3. DOJ	<u>James J. ...</u> Date: <u>7-29-2014</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. OPVP	<u>...</u> Date: <u>9/30/14</u>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5.	_____ Date: _____	<input type="checkbox"/>	<input type="checkbox"/>



NAVAJO NATION DEPARTMENT OF JUSTICE

DOCUMENT REVIEW REQUEST FORM



DOJ 9/29/14 9:00am DATE/TIME 7 Day Deadline DOC #: 002797 SAS #: UNIT: OAG

RESUBMITTAL

*** FOR NNDJ USE ONLY - DO NOT CHANGE OR REVISE FORM. VARIATIONS OF THIS FORM WILL NOT BE ACCEPTED. ***

CLIENT TO COMPLETE

DATE OF REQUEST: 9/26/14 ENTITY/DIVISION: Executive CONTACT NAME: Justin Curley DEPARTMENT: Office of the Controller PHONE NUMBER: x6023 E-MAIL: jcurley@nndoc.org

TITLE OF DOCUMENT: SAS 2797 regarding NNICS-01-14

DOJ SECRETARY TO COMPLETE

DATE/TIME IN UNIT: 9/29/14 9:30 am REVIEWING ATTORNEY/ADVOCATE:

DATE/TIME OUT OF UNIT:

DOJ ATTORNEY / ADVOCATE COMMENTS

Legally Sufficient.

REVIEWED BY: (PRINT) [Signature] DATE/TIME 9/29/14 SURNAMED BY: (PRINT) [Signature] DATE/TIME 9/29/14


DOJ Secretary Called: for Document Pick Up on at By:

PICKED UP BY: (PRINT) Justin Curley DATE/TIME: 9/29/14 3:21 pm



MEMORANDUM

TO: Department of Justice

FROM: 
Michael Venezia, Investments Manager
Navajo Nation Office of the Controller

DATE: January 29, 2015

SUBJECT: Jennison Associates LLC Agreement

Attached for your review is the Investment Manager Agreement (IMA) between Jenison Associates LLC and the Navajo Nation. This IMA is supplemental to SAS # 002797 in regards to Investment Committee Resolution NNICS-01-14. The IMA was not initially submitted with the SAS as a result of ongoing negotiations. SAS # 002797 has already made it through the entire review process and is ready to be before the Budget and Finance Committee (BFC) for final approval in the near future. The intent is to add the IMA to the associated BFC Legislation via an amendment once the Legislation goes before the BFC. A copy of the SAS and all other relevant documentation is also attached for your reference. If there are any questions please contact Justin Curley at jucurley@nnooc.org or at extension 6149.

① Blue Form
②



NAVAJO NATION DEPARTMENT OF JUSTICE

DOCUMENT
REVIEW
REQUEST
FORM



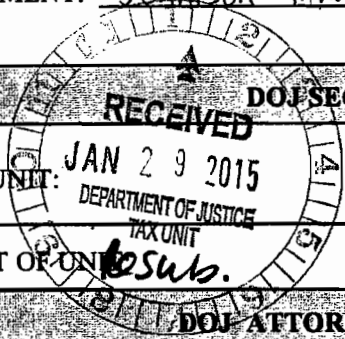
DOJ
01-29-15 10:31am
DATE/TIME
<input type="checkbox"/> 7 Day Deadline
DOC #: 002797
SAS #:
UNIT: DAG TER

RESUBMITTAL
(Sept 2014)

7 file to the 4th

*** FOR NNDJ USE ONLY - DO NOT CHANGE OR REVISE FORM. VARIATIONS OF THIS FORM WILL NOT BE ACCEPTED. ***

CLIENT TO COMPLETE			
DATE OF REQUEST: <u>1/29/15</u>	ENTITY/DIVISION: <u>Investment Executive</u>		
CONTACT NAME: <u>Chense Natani</u>	DEPARTMENT: <u>DOC</u>		
PHONE NUMBER: <u>16149</u>	E-MAIL: <u>cnatani@nnooc.org</u>		
TITLE OF DOCUMENT: <u>Jennison - Investment Management Agreement/SAS# 002797</u>			
DOJ SECRETARY TO COMPLETE			
DATE/TIME IN UNIT: <u>JAN 29 2015</u>	REVIEWING ATTORNEY/ADVOCATE: <u>Harrison Kristen / Dana</u>		
DATE/TIME OUT OF UNIT: <u>Resub.</u>			
DOJ ATTORNEY / ADVOCATE COMMENTS			
<u>Note: No waiver of sovereign immunity or dispute resolution provisions. If Investment Committee is fine with NY law, then sufficient.</u>			
REVIEWED BY: (PRINT) <u>Harrison Tsosie</u>	DATE / TIME	SURNAMED BY: (PRINT) <u>Harrison Tsosie</u>	DATE / TIME <u>2/11/15</u>
DOJ Secretary Called:	for Document Pick Up on	at	By:
PICKED UP BY: (PRINT)	DATE / TIME:		



NNDJ/DRRF-July 2013

*Harrison -
you reviewed
the original
DB*